

PUBLIC DISCLOSURE

November 17, 2014

**CRA FOR MORTGAGE LENDERS
PERFORMANCE EVALUATION**

**MORTGAGE MASTER, INC.
ML4251**

**102 ELM STREET
WALPOLE, MA 02081**

**DIVISION OF BANKS
1000 WASHINGTON STREET
BOSTON, MA 02118**

NOTE:	This evaluation is not, nor should it be construed as, an assessment of the financial condition of this mortgage lender. The rating assigned to this mortgage lender does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this mortgage lender.
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GENERAL INFORMATION

Massachusetts General Laws chapter 255E, section 8 and the Division of Banks' (Division) regulation 209 CMR 54.00 et seq., Mortgage Lender Community Investment (CRA), require the Division to use its authority when examining mortgage lenders subject to its supervision who have made 50 or more home mortgage loans in the last calendar year, to assess the mortgage lender's record of helping to meet the mortgage credit needs of the Commonwealth, including low- and moderate-income neighborhoods and individuals, consistent with the safe and sound operation of the mortgage lender. Upon conclusion of such examination, the Division must prepare a written evaluation of the mortgage lender's record of meeting the credit needs of the Commonwealth.

This document is an evaluation of the CRA performance of **Mortgage Master, Inc. (Mortgage Master or the mortgage lender)** prepared by the Division, the mortgage lender's supervisory agency, as of **November 17, 2014**.

SCOPE OF EXAMINATION

An evaluation was conducted using examination procedures, as defined by CRA. A review of the Division's records, as well as the mortgage lender's public CRA file, did not reveal any complaints related to CRA.

The CRA examination included a comprehensive review and analysis, as applicable, of Mortgage Master's:

- (a) origination of loans and other efforts to assist low- and moderate-income residents, without distinction, to be able to acquire or to remain in affordable housing at rates and terms that are reasonable considering the lender's history with similarly-situated borrowers, the availability of mortgage loan products suitable for such borrowers, and consistency with safe and sound business practices;
- (b) origination of loans that show an undue concentration and a systematic pattern of lending resulting in the loss of affordable housing units;
- (c) efforts working with delinquent residential mortgage customers to facilitate a resolution of the delinquency; and
- (d) other efforts, including public notice of the scheduling of examinations and the right of interested parties to submit written comments relative to any such examination to the Commissioner, as, in the judgment of the Commissioner, reasonably bear upon the extent to which a mortgage lender is complying with the requirements of fair lending laws and helping to meet the mortgage loan credit needs of communities in the Commonwealth.

CRA examination procedures were used to evaluate Mortgage Master's community investment performance. These procedures utilize two performance tests: the Lending Test and the Service Test. This evaluation considered Mortgage Master's lending and community development activities for the period of January 1, 2013 through September 30, 2014. The data and applicable timeframes for the Lending Test and the Service Test are discussed below.

The Lending Test evaluates the mortgage lender's community investment performance pursuant to the following five criteria: geographic distribution of loans, lending to borrowers of different incomes, innovative and flexible lending practices, fair lending, and loss of affordable housing.

Home mortgage lending for 2013 through the first three quarters of 2014 (YTD 2014) is presented in the geographic distribution, lending to borrowers of different incomes and the Minority Application Flow tables. Comparative analysis is provided for the mortgage lender's 2013 lending performance as this is the most recent year for which aggregate HMDA lending data is available. The aggregate lending data is used for comparison purposes within the evaluation and is a measure of loan demand. It includes lending information from all lenders required to report loan application information pursuant to the Home Mortgage Disclosure Act (HMDA) which originated loans in the Commonwealth of Massachusetts.

In addition to gathering and evaluating statistical information relative to a mortgage lender's loan volume, the CRA examination also reflects an in depth review of the entity's mortgage lending using qualitative analysis, which includes, but is not limited to: an assessment of the suitability and sustainability of the mortgage lender's loan products, by reviewing the lender's internally maintained records of delinquencies and defaults as well as information publicly available through the Federal Reserve Banks and through local Registries of Deeds and through other sources available to the examination team. The examination included inspection of individual loan files for review of compliance with consumer protection provisions and scrutiny of these files for the occurrence of disparate treatment based on a prohibited basis.

The Service Test evaluates the mortgage lender's record of helping to meet the mortgage credit needs by analyzing the availability and effectiveness of a mortgage lender's systems for delivering mortgage loan products, the extent and innovativeness of its community development services, and, if applicable, loss mitigation services to modify loans and/or efforts to keep delinquent home borrowers in their homes.

MORTGAGE LENDER'S CRA RATING:

This mortgage lender is rated "Needs To Improve"

- The distribution of borrowers reflects, given the demographics of Massachusetts, a less than adequate record of serving the credit needs among individuals of different income levels, including those of low- and moderate-income.
- The geographic distribution of the mortgage lender's loans reflects a less than reasonable dispersion in low- and moderate-income census tracts as it is reflective of the distribution of owner occupied housing in those census tracts, and does not meet the standards for satisfactory performance in this criterion.
- Mortgage Master offers flexible lending products, which are provided in a safe and sound manner to address the credit needs of low- and moderate-income individuals.
- Fair lending policies and practices are considered adequate.
- Mortgage Master provided an adequate level of Community Development Services in the Commonwealth.

PERFORMANCE CONTEXT

Description of Mortgage Lender

Mortgage Master established in the Commonwealth of Massachusetts on September 2, 1988, to engage in the residential mortgage lending and brokerage business. The Division granted a mortgage lender and a mortgage broker license to Mortgage Master on January 3, 1992. Mortgage Master is licensed in 26 states and the District of Columbia. On January 2, 2015, during the examination period, loanDepot.com, LLC acquired Mortgage Master. Since the acquisition, Mortgage Master continues to operate under its name as a loanDepot.com, LLC channel.

Mortgage Master's main office is located at 102 Elm Street in Walpole, Massachusetts. The mortgage lender operates 11 Massachusetts locations with additional branch offices in California, Colorado, Connecticut, Florida, Illinois, Maryland, Minnesota, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island and Vermont, all of which accommodate over 100 loan originators. Mortgage Master's business focuses on the retail origination and underwriting of residential mortgage loans. Products offered within the Commonwealth include conventional and government-insured home mortgage loans, Mass Housing loans, Fannie Mae My Community loans, and Freddie Mac Home Possible loans. Mortgage Master has been an approved FHA and VA lender since 1994. These types of loan programs provide competitive interest rates and smaller down payments while benefiting low- and moderate-income first-time homebuyers and existing homeowners. During the examination period, approximately 20 percent of Mortgage Master's loan volume consists of jumbo loan products. Closed loans are sold to secondary market investors within 30 days on a servicing right released basis and all closed loans are funded under the mortgage lender's warehouse lines of credit.

Mortgage Master faces strong competition from other institutions in the Commonwealth. The 2013 aggregate data demonstrates that 757 lenders extended 302,234 HMDA reportable residential loans within the Commonwealth. Mortgage Master ranked seventh out of 757 lenders that originated at least one home mortgage in the assessment area. Furthermore, Mortgage Master ranked 11th out of 560 lenders originating loans in the Commonwealth to low and moderate-income areas. The top institutions lending in low- and moderate-income areas are large national banks and mortgage companies. Larger national institutions capturing a top market share ahead of Mortgage Master include, Wells Fargo Bank NA, JP Morgan Chase Bank NA, US Bank NA, Sovereign Bank NA, and CitiBank NA.

Demographic Information

The CRA regulation requires mortgage lenders to be evaluated on their performance within the Commonwealth of Massachusetts. Demographic data is provided below to offer contextual overviews of economic climate along with housing and population characteristics for the Commonwealth of Massachusetts.

2010 CENSUS DEMOGRAPHIC INFORMATION						
Demographic Characteristics	Amount	Low %	Moderate %	Middle %	Upper %	N/A %
Geographies (Census Tracts)	1,474	10.8	20.0	40.7	27.1	1.4
Population by Geography	6,547,629	8.9	18.9	42.8	29.2	0.2
Owner-Occupied Housing by Geography	1,608,474	2.9	13.7	48.9	34.5	0.0
Family Distribution by Income Level	1,600,588	19.3	17.7	24.4	38.6	0.0
Distribution of Low and Moderate Income Families	592,420	7.7	18.4	43.6	30.3	0.0
Median Family Income	\$86,272		Median Housing Value			373,206
Households Below Poverty Level	11.1%		Unemployment Rate*			7.0%*
2013 HUD Adjusted Median Family Income	\$84,208		2014 HUD Adjusted Median Family Income			\$83,495

Source: 2010 US Census *as of 12/31/2013

Based on the 2010 Census, the Commonwealth's population grew to just over 6.5 million people with a total of 2.7 million housing units. Of the total housing units, 1.6 million or 57.7 percent are owner-occupied, 904,078 or 32.5 percent are rental-occupied, and 9.8 percent are vacant units.

According to the 2010 Census, there are 2.5 million households in the Commonwealth with a median household income of \$69,101. Over 39 percent of the households are now classified as low- and moderate-income. In addition, over 11 percent of the total number of households are living below the poverty level. Individuals in these categories may find it challenging to qualify for traditional mortgage loan products.

Households classified as "families" totaled slightly over 1.6 million. Of all family households, 19.3 percent were low-income, 17.7 percent were moderate-income, 24.4 percent were middle-income, and 38.6 percent were upper-income. The median family income according to the 2010 census was \$86,272. The Housing and Urban Development (HUD) adjusted median family income is \$84,208 in 2013 and \$83,495 in 2014. The adjusted median family income is updated yearly and takes into account inflation and other economic factors.

The Commonwealth of Massachusetts contained 1,474 Census tracts. Of these, 160 or 10.8 percent are low-income; 295 or 20.0 percent are moderate-income; 600 or 40.7 percent are middle-income; 399 or 27.1 percent are upper-income; and 20 or 1.4 percent are NA or have no income designation. The tracts with no income designation are located in areas that contain no housing units and will not be included in this evaluation since they provide no lending opportunities. These areas are made up of correctional facilities, universities, military installations, and uninhabited locations such as the Boston Harbor Islands.

Low-income is defined as individual income that is less than 50 percent of the area median income. Moderate-income is defined as individual income that is at least 50 percent and less than 80 percent of the area median income. Middle-income is defined as individual income that is at least 80 percent and less than 120 percent of the area median income. Upper-income is defined as individual income that is more than 120 percent of the area median income.

The median housing value for Massachusetts was \$373,206 according to the 2010 Census. The unemployment rate for the Commonwealth of Massachusetts as of December 31, 2013, stood at 7.0 percent, which was an increase from December 31, 2012, at which time it stood at 6.7 percent. Employment rates would tend to affect a borrower's ability to remain current on mortgage loan obligations and also correlates to delinquency and default rates.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Lending Test performance is rated an overall “Needs to Improve.” Lending performance is rated under the five performance criteria: Geographic Distribution, Borrower Characteristics, Innovative or Flexible Lending Practices, Fair Lending Policies and Procedures, and Loss of Affordable Housing. The following information details the data compiled and reviewed, as well as conclusions on the mortgage lending of Mortgage Master.

I. Borrower Characteristics

The distribution of loans by borrower income levels was reviewed to determine the extent to which the mortgage lender is addressing the credit needs of the Commonwealth’s residents.

Mortgage Master has a less than adequate record of serving the mortgage credit needs among borrowers of different income levels based on the area’s demographics and a comparison to aggregate lending data in Massachusetts.

The following table shows, by number, HMDA reportable loans to low, moderate, middle and upper-income borrowers in comparison to the aggregate and the percentage of total families within the Commonwealth in each respective income group.

<i>Distribution of HMDA Loans by Borrower Income</i>							
<i>Median Family Income Level</i>	<i>2013 % of Families</i>	<i>2013 Mortgage Master</i>		<i>2013 Aggregate Lending Data (% of #)</i>	<i>2014 % of Families</i>	<i>YTD 2014 Mortgage Master</i>	
		<i>#</i>	<i>%</i>			<i>#</i>	<i>%</i>
<i>Low</i>	19.3	145	1.5	5.5	22.2	60	2.1
<i>Moderate</i>	17.8	1,016	10.5	16.1	16.5	353	12.5
<i>Middle</i>	24.4	2,346	24.2	22.9	20.6	751	26.6
<i>Upper</i>	38.5	6,129	63.2	43.0	40.7	1,656	58.6
<i>NA*</i>	0.0	64	0.6	12.5	0.0	5.0	0.2
<i>Total</i>	100.0	9,700	100.0	100.0	100.0	2,825	100.0

Source: 2013 & YTD 2014 HMDA Data and 2010 U.S. Census

As shown in the above table, the percentage of lending to low- and moderate-income borrowers in 2013 fell short of aggregate lending. Lending in those categories was also below the percentage of families; however, according to the 2010 Census data, 11.1 percent of the families within the Commonwealth have incomes below the poverty threshold and would most likely not qualify for home ownership considering the presence of high housing costs.

Although a review of YTD 2014 data shows a decrease in overall lending from 2013, Mortgage Master’s percentage of lending to low- and moderate-income borrowers increased in 2014, showing a positive trend in originations to the demographic, however, the lending continued below demographic data.

II Geographic Distribution

The geographic distribution of loans was reviewed to assess how well Mortgage Master is addressing the credit needs throughout the Commonwealth of Massachusetts' low-, moderate-, middle-, and upper-income census tracts.

Mortgage Master's distribution of lending in the Commonwealth when compared to the demographics and aggregate lending data was less than reasonable. The table below shows the distribution of HMDA-reportable loans by census tract income.

<i>Distribution of HMDA Loans by Income Category of the Census Tract</i>							
<i>Census Tract Income Level</i>	<i>2013 % Total Owner-Occupied Housing Units</i>	<i>2013 Mortgage Master</i>		<i>2013 Aggregate Lending Data (% of #)</i>	<i>2014 % Total Owner-Occupied Housing Units</i>	<i>YTD 2014 Mortgage Master</i>	
		<i>#</i>	<i>%</i>			<i>#</i>	<i>%</i>
<i>Low</i>	2.9	182	1.9	2.9	3.1	67	2.4
<i>Moderate</i>	13.7	845	8.7	12.4	13.0	310	11.0
<i>Middle</i>	48.9	3,562	36.7	46.4	48.3	1,185	41.9
<i>Upper</i>	34.5	5,111	52.7	38.3	35.6	1,263	44.7
<i>Total</i>	100.0	9,700	100.0	100.0	100.0	2,825	100.0

Source 2013 & YTD 2014 HMDA Data and 2010 U.S. Census

Mortgage Master's geographic distribution of loans in low- and moderate-income tracts is below 2013 aggregate lending and the demographics. The table above also shows Mortgage Master exhibited a positive trend in lending in low- and moderate-income tracts during the first three quarters of 2014; however, the company continues to lend below the percentage of owner-occupied housing units in those geographies. The majority of Mortgage Master's loan originations are to middle and upper-income borrowers.

Overall, the mortgage lender's geographic distribution of residential real estate loans reflects a less than reasonable distribution throughout the Commonwealth.

III. Innovative or Flexible Lending Practices

Mortgage Master offers a variety of flexible lending products, which are provided in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

Mortgage Master underwrites Federal Housing Administration (FHA) insured mortgages and is directly endorsed by Housing and Urban Development (HUD). The mortgage lender also offers Veterans Administration (VA) and the United States Department of Agriculture (USDA) loans. The FHA, VA and USDA products offered provide competitive interest rates and smaller down payments for low- and moderate-income first-time homebuyers and existing homeowners. In addition, Fannie Mae's My Community, Freddie Mac's Home Possible, and Massachusetts Housing's MassHousing Mortgage are products for first time homebuyers which also offer a safe and affordable way to buy a home.

Mortgage Master offers a variety of FHA products including FHA loans with FICO scores under 620, which is below the mortgage industry's standard minimum. These FHA loans are manually

underwritten to provide sustainable loans with competitive interest rates for low- and moderate-income homeowners who would otherwise not have been approved due to past credit history.

During the review period of 2013 and YTD 2014, the mortgage lender closed 629 FHA loans, totaling \$168.5 million. Of the 629 FHA loans closed during the examination period, less than two percent benefited low- or moderate-income neighborhoods or individuals. Mortgage Master originated 213 FHA loans to low- or moderate-income borrowers and 145 benefited low- or moderate-income geographies in the Commonwealth during the examination period.

The VA Home Loan Guarantee Program is designed specifically for the unique challenges facing service members and their families. The program offers low closing costs, no down payment requirement, and no private mortgage insurance requirement. During 2013 and YTD 2014, Mortgage Master originated 125 VA loans totaling \$40.6 million. Of these, Mortgage Master originated 27 loans to moderate-income level borrowers and 18 benefited low- or moderate-income geographies in the Commonwealth.

The USDA Rural Housing Program is an innovative loan program for eligible homebuyers in rural-designated areas. For home purchase transactions, the program offers fixed interest rates and 100 percent financing with no down payment requirement. Minimum income requirements apply and borrowers can earn no more than 115 percent of the HUD median income for their area, adjusted by family size. Mortgage Master originated 28 USDA loans totaling \$6.0 million during the examination period, of which eleven benefited low- or moderate-income borrowers and three benefited low- or moderate-income geographies.

Fannie Mae My Community Program and Freddie Mac HomePossible are lending programs that offer flexible underwriting criteria to borrowers who meet specific income and credit criteria. In addition, they offer reduced down-payment requirements as well as mortgage insurance premiums at a reduced rate. Mortgage Master originated ten My Community loans totaling \$2.2 million and four Home Possible loans totaling \$792 thousand during the examination period.

In addition, Mortgage Master offers MassHousing Loans which allow borrowers to buy or refinance with loan products allowing down payments as low as three percent and some products that do not require mortgage insurance. To be eligible for a MassHousing loan a borrower must meet minimum income and loan limits, which vary by region. Mortgage Master closed 192 purchase transactions totaling \$49.1 million and 27 refinance transactions totaling \$6.6 million during the examination period.

The above flexible loan programs demonstrate Mortgage Master's commitment to increasing homeownership opportunities for Massachusetts families.

IV. Fair Lending

The Division examines a mortgage lender's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-106. The mortgage lender's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. The review included, but was not limited to, review of written policies and procedures, interviews with mortgage lender personnel, and individual file review. The Division did not identify evidence of disparate treatment at this time.

Mortgage Master has established a reasonable record relative to fair lending policies and practices. Fair lending policies and procedures apply to all residential mortgage transactions,

products types, and geographies. Fair lending is further enforced through annual training courses required of all staff, including management. Quarterly quality control audits monitor all loans for compliance and review a percentage of loan files pre- and post-closing. Mortgage Master conducts annual fair lending audits, monthly internal HMDA monitoring and secondary reviews of all denied loans in an effort to proactively monitor for possible fair lending concerns.

MINORITY APPLICATION FLOW

During the review period, Mortgage Master received 14,551 HMDA-reportable loan applications from within the Commonwealth of Massachusetts. Of the racial minority applications received in 2013, 79.0 percent resulted in originations. With regard to applicants of Hispanic origin approximately 79.3 percent were originated. Mortgage Master's approval of racial and ethnic minority applicants at 79.0 and 79.3 percent are above the aggregate's approval rates at 68.8 percent and 46.2 percent, respectively.

Demographic information for Massachusetts reveals the total ethnic and racial minority population stood at 23.8 percent of the total population as of the 2010 Census. This segment of the population is comprised of 9.6 percent Hispanic or Latino. Racial minorities consisted of 6.0 percent Black; 5.3 percent Asian/Pacific Islander; 0.1 percent American Indian/Alaskan Native; and 2.8 percent identified as Other Race.

Refer to the following table for information on the mortgage lender's minority application flow as well as a comparison to aggregate lenders throughout the Commonwealth of Massachusetts. The comparison of this data assists in deriving reasonable expectations for the rate of applications the mortgage lender received from minority applicants.

MINORITY APPLICATION FLOW					
RACE	2013 Mortgage Master		2013 Aggregate Data	2014 Mortgage Master	
	#	%	% of #	#	%
<i>American Indian/ Alaska Native</i>	12	0.1	0.2	6	0.2
<i>Asian</i>	820	6.9	4.7	287	7.8
<i>Black/ African American</i>	201	1.7	2.4	116	3.2
<i>Hawaiian/Pac Isl.</i>	14	0.1	0.1	2	0.0
<i>2 or more Minority</i>	0	0.0	0.0	0	0.0
<i>Joint Race (White/Minority)</i>	279	2.4	1.2	74	2.0
Total Minority	1,326	11.2	8.6	485	13.2
<i>White</i>	10,086	85.8	69.1	3036	82.9
<i>Race Not Available</i>	350	3.0	22.3	143	3.9
Total	11,726	100.0	100.0	3664	100.0
ETHNICITY					
<i>Hispanic or Latino</i>	145	1.2	2.8	47	1.7
<i>Not Hispanic or Latino</i>	11,115	94.5	74.1	2,639	93.4
<i>Joint (Hisp/Lat /Not Hisp/Lat)</i>	159	1.4	0.9	33	1.2
<i>Ethnicity Not Available</i>	343	2.9	22.2	106	3.7
Total	11,726	100.0	100.0	2,825	100.0

Source: 2010 U.S. Census Data, 2013 & 2014 HMDA Data

In 2013, Mortgage Master's performance was above the aggregate's performance for racial minorities. The mortgage lender performed below the aggregate in application flow, by ethnic minorities. Based on the lending trends of YTD 2014 data, the percentage of racial and ethnic minority applicants is increasing.

V. *Loss of Affordable Housing*

This review concentrated on the suitability and sustainability of mortgage loans originated by Mortgage Master by taking into account delinquency and default rates of the mortgage lender and those of the overall marketplace. Information provided by the mortgage lender was reviewed, as were statistics available on delinquency and default rates for mortgage loans. Additionally, individual mortgage loans were tracked for their status through local Registries of Deeds and other available sources including public records of foreclosure filings.

An extensive review of information and documentation, from both internal and external sources as partially described above, did not reveal lending practices or products that showed an undue concentration or a systematic pattern of lending, including a pattern of early payment defaults, resulting in the loss of affordable housing units. Further, delinquency rates were found to be consistent with industry averages.

SERVICE TEST

The Service Test evaluates a mortgage lender's record of helping to meet the mortgage credit needs in the Commonwealth by analyzing both the availability and effectiveness of a mortgage lender's systems for delivering mortgage loan products; the extent and innovativeness of its community development services; and loss mitigation services to modify loans or otherwise keep delinquent home loan borrowers in their homes. Community development services must benefit the Commonwealth or a broader regional area that includes the Commonwealth.

Mortgage Master's Service Test performance was determined to be "Satisfactory" during the evaluation period.

Mortgage Lending Services

Mortgage Master provides an adequate level of mortgage lending services to low- and moderate-income geographies and borrowers through home purchase and refinance transactions in Massachusetts. The mortgage lender offers a variety of conventional and government-insured mortgage products. Customers can apply to Mortgage Master for a mortgage in person at Mortgage Master's retail locations, over the telephone or via the company's website, with a licensed loan originator. Mortgage Master's main office and several branch locations are in close proximity to the communities with low- and moderate-income census tracts, creating accessibility for residents in those geographies.

Mortgage Master is an approved seller and servicer of Freddie Mac loan products. The mortgage lender is also a seller and servicer of Fannie Mae loan products, with delegated and non-delegated underwriting authority. As a Fannie Mae seller/servicer, the mortgage lender has approval to sell loans to Fannie Mae and to service loans on Fannie Mae's behalf. Mortgage Master began retaining servicing rights in early 2014 and hired a sub-servicer to handle all day-to-day servicing functions. At the time of the examination, the sub-servicer serviced 36 Massachusetts loans. As of December 2014, Mortgage Master had reported no loans in delinquency status.

In July 2014, Mortgage Master was the first non-depository mortgage lender to join the Massachusetts Homeownership Compact. Through this initiative, Mortgage Master has committed to make a good faith effort to provide Massachusetts Housing loans to qualified first-

time home buyers below the median household income over the next five years. The Massachusetts Homeownership Compact will help economic development and neighborhood stabilization in the Commonwealth.

Lending practices and products did not show an undue concentration or a systematic pattern of lending resulting in mortgage loans that were not sustainable. Overall, the mortgage lender provides an effective delivery of mortgage lending services throughout the Commonwealth.

Community Development Services

A community development service is a service that:

- (a) has as its primary purpose community development; and
- (b) is related to the provision of financial services, including technical services

The Commissioner evaluates community development services pursuant to the following criteria:

- (a) the extent to which the mortgage lender provides community development services; and
- (b) the innovativeness and responsiveness of community development services.

During the exam period, four organizations benefited from Mortgage Master's involvement in the community. Mortgage Master demonstrated their responsiveness and commitment to organizations such as the Massachusetts Affordable Housing Alliance (MAHA), Citizens Housing and Planning Association (CHAPA), Massachusetts Community and Banking Council (MCBC) and City of Boston Lending.

Mortgage Master sponsored and participated in first-time homebuyer seminars during 2013 and 2014 at MAHA. Loan officers presented modules on applying for and obtaining a mortgage. Mortgage Master's Chief Legal Officer is also a member of MAHA's Kitchen Cabinet, offering technical expertise. MAHA educates and mobilizes individuals and communities to increase affordable and sustainable homeownership across Massachusetts.

Mortgage Master is a member of the Citizens Housing and Planning Association (CHAPA) Advisory Committee and is a member of the Massachusetts Homeownership Collaborative. CHAPA's mission is to encourage the production and preservation of affordable housing to low- and moderate-income families and individuals, and foster diverse and sustainable communities through planning and community development.

Mortgage Master's Chief Legal Officer is a member of the Massachusetts Community and Banking Council (MCBC) and participates on the Mortgage Lending Committee and the MLCI Task Force regarding evaluating CRA. Industry leaders as well as other community partners meet on various initiatives that address a variety of community credit and banking issues.

Mortgage Master collaborated with City of Boston Lending and became a participating lender for the Boston Home Center Financial Assistance Program. Mortgage Master's Vice President coordinated an orientation with City of Boston Lending at the mortgage lender's corporate office. In addition, Mortgage Master participated in the City of Boston Home Expo and monthly "Meet the Lender" programs. All the above activities focus on homebuyer's education for low- and moderate-income borrowers.

In addition, Mortgage Master has regularly participated in various Credit for Life Fairs and Homebuyers Education classes at various non-profit homeownership agencies.

Qualified Investments

A Qualified Investment for the purposes of this MLCI evaluation is a lawful investment, deposit, membership share, or grant that has as its primary purpose community development. The evaluation considers (1) the number of investments and grants, (2) the extent to which community development opportunities have been made available to the institution, and (3) the responsiveness of the institution's community development grants to the assessment area's needs.

During the examination period, Mortgage Master's overall donations totaled \$58,105, of which \$34,220 qualified as investments under community development. Mortgage Master demonstrated their responsiveness and commitment to organizations such as the Massachusetts Affordable Housing Alliance (MAHA), The PenFed Foundation, and Citizens Housing and Planning Association (CHAPA).

In addition to sponsoring First Time Homebuyer's Seminars at MAHA, Mortgage Master sponsored MAHA's Annual Taste of Dorchester and is a reoccurring sponsor of the Pedal Poker River Run. All proceeds go directly to support MAHA's efforts to educate low- and moderate-income homebuyers and homeowners.

In 2014, Mortgage Master supported the PenFed Foundation. The organization helps low- and moderate-income service members, veterans, and their families achieve home ownership, and provide emergency financial assistance.

Mortgage Master contributed towards CHAPA, which supports CHAPA's mission to encourage the production and preservation of housing that is affordable to low-income families and individuals and to foster diverse and sustainable communities.

Additional donations were made to New England Homeless Vets, which assists homeless Veterans at risk of homelessness and Toys for Tots, which helps less fortunate children in the community.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 255E, Section 8, and 209 CMR 54.00, the Mortgage Lender Community Investment (CRA) regulation, requires all mortgage lenders to take the following actions within 30 business days of receipt of the CRA evaluation of their mortgage lender:

- 1) Make its most current CRA performance evaluation available to the public.
- 2) Provide a copy of its current evaluation to the public, upon request. The mortgage lender is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the mortgage lender's evaluation, as prepared by the Division of Banks, may not be altered or abridged in any manner. The mortgage lender is encouraged to include its response to the evaluation in its CRA public file.

The Division of Banks will publish the mortgage lender's Public Disclosure on its website no sooner than 30 days after the issuance of the Public Disclosure.